

Message Text

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PAGE 01 CAIRO 05264 291203Z
ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 /078 W
-----292023Z 023275 /47

R 291057Z MAR 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 3269
INFO AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY KUWAIT
AMEMBASSY JIDDA

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E.O. 11652: N/A
TAGS: EAID, EFIN
SUBJECT: \$1.5 BILLION GODE LOAN

REF: (A) CAIRO 5105, (B) JIDDA 2374 (NOTAL)

1. MINECON EL SAYEH TOLD AID DIR AND ECONCOUNS MARCH 28
THAT THERE ARE STILL SOME DETAILS TO BE WORKED OUT IN
CONNECTION WITH \$1.5 BILLION GODE LOAN ANNOUNCED LAST WEEK
(REFTEL). SPECIFICALLY, HE INDICATED THAT EXACT TERMS OF THE
LOAN HAVE YET TO BE DECIDED UPON.
EGYPTIANS ARE HOPING FOR MEDIUM-TERM CONCESSIONAL
LOAN WITH REASONABLE GRACE PERIOD, WHICH WOULD BE IN KEEPING WITH
PURPOSE OF LOAN, ACCORDING TO EL SAYEH:
CONVERSATION OF SHORT-TERM DEBT TO MEDIUM TERM.
KAISSOUNI IS HEADED BACK TO RIYADH TO HOLD FURTHER DISCUSSIONS
ON SUBJECT, ACCORDING TO THE PRESS.

2. EL SAYEDH SIAD THAT IN CONTRAST TO PREVIOUS LOANS OF THIS
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NATURE, ARABS INTENDED TO PLACE FUNDS IN BANK OF THEIR OWN
CHOOSING AS OPPOSED TO CENTRAL BANK, IN ORDER TO MAINTAIN
BETTER CONTROL OF USE OF THE FUNDS. HE SAID THAT NO DECISION
HAD BEEN REACHED AS TO WHICH BANK WOULD HANDLE THE MONEY, BUT
IMPLIED IT COULD BE MORGAN GUARANTEE. HE ALSO CONFIRMED THAT
REPAYMENT OF THE LOAN WOULD BE RECYCLED INTO ECONOMIC DEVELOP-
MENT, I.E., PROJECTS RATHER THAN BALANCE OF PAYMENTS SUPPORT,

AS WOULD ANY FURTHER MONIES RESULTING FROM AUGMENTATION OF GODE
FUND ABOVE PRESENT \$2 BILLION CEILING. HE WAS QUITE HOPEFUL THAT
FUNDS WOULD BECOME AVAILABLE IN A SHORT TIME.

3. COMMENT: JIDDA REFTEL INDICATES THAT NO DECISIONS HAVE BEEN
REACHED, DESPITE INFORMATION AVAILABLE HERE, BUT IT IS QUITE
POSSIBLE THAT A NUMBER OF DETAILS DO REMAIN TO BE WORKED OUT,
AS EGYPTIANS ADMIT, FOLLOWING AN AGREEMENT IN PRINCIPLE.
THERE HAVE BEEN RUMORS THAT IMF WOULD BE USED AS CHANNEL FOR
CONTROLLING THESE FUNDS, BUT PERHAPS A BANK WILL SERVE ARAB
PURPOSE JUST AS WELL.

EILTS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, LOANS, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
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Format: TEL
From: CAIRO
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770313/aaaaakng.tel
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Litigation Codes:
Litigation History:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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TAGS: EAID, EFIN, EG
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